

The Great Reset, Part II: Corporate Socialism

by Michael Rectenwald



As I noted in the [previous installment](#), the Great Reset, if its architects have their way, would involve transformations of nearly every aspect of life. Here, I will limit my discussion to the economics of the Great Reset as promoted by the World Economic Forum (WEF), as well as to recent developments that have advanced these plans.

As F.A. Hayek suggested in his introductory essay to *Collectivist Economic Planning*, socialism can be divided into two aspects: the ends and the means.¹ The socialist means is collectivist planning, while the ends, at least under proletarian socialism, are the collective ownership of the means of production and the “equal” or “equitable” distribution of the end products. Distinguishing between these

two aspects in order to set aside the question of the ends and to focus on the means, Hayek suggested that collectivist planning could be marshalled in the service of ends other than those associated with proletarian socialism: "An aristocratic dictatorship, for example, may use the same methods to further the interest of some racial or other elite or in the service of some other decidedly anti-equalitarian purpose."² Collectivist planning might or might not run into the calculation problem, depending upon whether or not a market in the factors of production is retained. If a market for the factors of production is maintained, then the calculation problem would not strictly apply.

The collectivist planners of the Great Reset do not aim at eliminating markets for the factors of production. Rather, they mean to drive ownership and control of the most important factors to those enrolled in "stakeholder capitalism."³ The productive activities of said stakeholders, meanwhile, would be guided by the directives of a coalition of governments under a unified mission and set of policies, in particular those expounded by the WEF itself.

While these corporate stakeholders would not necessarily be monopolies *per se*, the goal of the WEF is to vest as much control over production and distribution in these corporate stakeholders as possible, with the goal of eliminating producers whose products or processes are deemed either unnecessary or inimical to the globalists' desiderata for "a fairer, greener future." Naturally, this would involve constraints on production and consumption and likewise an expanded role for governments in order to enforce such constraints—or, as Klaus Schwab has stated in the context of the covid crisis, "the return of big government"⁴—as if government hasn't been big and growing bigger all the while.

Schwab and the WEF promote stakeholder capitalism against a supposedly rampant "neoliberalism." Neoliberalism is a weasel word that stands for whatever leftists deem wrong with the

socioeconomic order. It is the common enemy of the Left. Needless to say, neoliberalism—which Schwab loosely defines as “a corpus of ideas and policies that can loosely be defined as favouring competition over solidarity, creative destruction over government intervention and economic growth over social welfare”[5](#)—is a straw man. Schwab and company erect neoliberalism as the source of our economic woes. But to the extent that “antineoliberalism” has been in play, the governmental favoring of industries and players within industries (or corporatocracy), and not competition, has been the source of what Schwab and his ilk decry. The Great Reset would magnify the effects of corporatocracy.

Nevertheless, the aims of the WEF are not to plan every aspect of production and thus to direct all individual activity. Rather, the goal is to limit the possibilities for individual activity, including the activity of consumers—by dint of squeezing out industries and producers within industries from the economy. “Every country, from the United States to China, must participate, and every industry, from oil and gas to tech, must be transformed.”[6](#)

As Hayek noted, “when the medieval guild system was at its height, and when restrictions to commerce were most extensive, they were not used as a means actually to direct individual activity.”[7](#) Likewise, the Great Reset aims not at a strictly collectivist planning of the economy so much as recommends and demands neofeudalistic restrictions that would go further than anything since the medieval period—other than under state socialism itself, that is. In 1935, Hayek noted the extent to which economic restrictions had already led to distortions of the market:

With our attempts to use the old apparatus of restrictionism as an instrument of almost day-to-day adjustment to change we have probably already gone much further in the direction of central planning of current activity than has ever been attempted before...It is important to realize in any

investigation of the possibilities of planning that it is a fallacy to suppose capitalism as it exists to-day is the alternative. We are certainly as far from capitalism in its pure form as we are from any system of central planning. The world of to-day is just interventionist chaos.[8](#)

How much further, then, the Great Reset would take us toward the kinds of restrictions imposed under feudalism, including the economic stasis that feudalism entailed!

I call this neofeudalism “corporate socialism”—not only because the rhetoric to gain adherents derives from socialist ideology (“fairness,” “economic equality,” “collective good,” “shared destiny,” etc.) but also because the reality sought after is *de facto* monopolistic control of production via the elimination of noncompliant producers—i.e., a tendency toward monopoly over production that is characteristic of socialism. These interventions would not only add to the “interventionist chaos” already in existence but further distort markets to a degree unprecedented outside of centralized socialist planning *per se*. The elites could attempt to determine, *a priori*, consumer needs and wants by limiting production to acceptable goods and services. They would also limit production to the kinds amenable to the governments and producers who buy into the program. The added regulations would drive midsized and small producers out of business or into black markets, to the extent that black markets could exist under a digital currency and greater centralized banking. As such, the restrictions and regulations would tend toward a static caste-like system with corporate oligarchs on top, and “actually existing socialism”[9](#) for the vast majority below. Increasing wealth for the few, “economic equality,” under reduced conditions, including universal basic income, for the rest.

The Coronavirus Lockdowns, the Riots, and

Corporate Socialism

The covid-19 lockdowns, and to a lesser extent the leftist riots, have been moving us toward corporate socialism. The draconian lockdown measures employed by governors and mayors and the destruction perpetrated by the rioters just so happen to be doing the work that corporate socialists like the WEF want done. In addition to destabilizing the nation-state, these policies and politics are helping to destroy small businesses, thus eliminating competitors.

As the Foundation for Economic Education (FEE) points out, the lockdowns and riots have combined to level a one-two punch that is knocking out millions of small businesses—"the backbone of the American economy"—all across America. FEE reported that

7.5 million small businesses in America are at risk of closing their doors for good. A more recent survey showed that even with federal loans, close to half of all small business owners say they'll have to shut down for good. The toll has already been severe. In New York alone, stay-at-home orders have forced the permanent closure of more than 100,000 small businesses. [10](#)

Meanwhile, as FEE and others have noted, there is no evidence that the lockdowns have done anything to slow the spread of the virus. Likewise, there is no evidence that Black Lives Matter has done anything to help black lives. If anything, the riotous and murderous campaigns of Black Lives Matter and Antifa have proven that black lives do not matter to Black Lives Matter. In addition to murdering black people, the Black Lives Matter and Antifa rioters have done enormous damage to black businesses and neighborhoods, and thus to black lives. [11](#)

As small businesses have been crushed by the combination of draconian lockdowns and riotous lunacy, corporate giants like Amazon have thrived like never before. As BBC noted, at least

three of the tech giants—Amazon, Apple, and Facebook—have appreciated massive gains during the lockdowns,[12](#) gains which were abetted, to a lesser extent, by riots that cost 1 to 2 billion in property damages.[13](#) During the three months ending in June, Amazon’s “quarterly profit of \$5.2bn (£4bn) was the biggest since the company’s start in 1994 and came despite heavy spending on protective gear and other measures due to the virus.” Amazon’s sales rose by 40 percent in the three months ending in June.

As reported by *TechCrunch*, Facebook and its WhatsApp and Instagram platforms saw a 15 percent rise in users, which brought revenues to a grand total of \$17.74 billion in the first quarter.[14](#) Facebook’s total users climbed to 3 billion in March, or two-thirds of the world’s internet users, a record. Apple’s revenues soared during the same period, with quarterly earnings rising 11 percent year-on-year to \$59.7 billion. “Walmart, the country’s largest grocer, said profits rose 4 percent, to \$3.99 billion,” during the first quarter of 2020, as reported by the *Washington Post*.[15](#)

The number of small businesses has been nearly cut in half by the covid-19 lockdowns and the Black Lives Matter/Antifa riots while the corporate giants have consolidated their grip on the economy, as well as their power over individual expression on the internet and beyond. Thus, it would appear that the covid lockdowns, shutdowns, partial closings, as well as the riots are just what the Great Resetters ordered, although I am not hereby suggesting that they did order them. More likely, they have seized the opportunity to cull from the economy the underbrush of small and medium-sized businesses in order to make compliance simpler and more pervasive.

In the end, the Great Reset is merely a propaganda campaign, not some button that globalist oligarchs can push at will—although the WEF has represented it as just that.[16](#) Their plans need to be countered with better economic ideas and concerted individual actions. The only reasonable response to

the Great Reset project is to defy it, to introduce and promote more competition, and to demand the full reopening of the economy, at whatever peril. If this means that smaller-scale producers and distributors must band together to defy state edicts, then so be it. New business associations, with the aim of foiling the Great Reset, must be formed—before it's is too late.

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